



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

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September 16, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN AMENDMENT TO THE AGREEMENT
WITH SERVICON SYSTEMS, INC.
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

SUBJECT

Request approval of a contract amendment to increase the maximum obligation for additional housekeeping services at the Department of Health Services' LAC+USC Medical Center Replacement Facility.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services, or his designee, to execute Amendment No. 1 to Agreement No. H-702970, with Servicon Systems, Inc. to increase the maximum obligation by \$225,518 for the provision of supplemental general and sterile housekeeping services at the LAC+USC Medical Center Replacement Facility prior to opening, effective upon Board approval, with no change to the expiration date of March 31, 2009.
2. Delegate authority to the Interim Director of Health Services, or his designee, to increase the maximum obligation by no more than 25 percent of the maximum obligation, or \$56,379, for unscheduled emergency work, for a potential total increase of \$281,897.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS

In approving the recommended actions, the Board is authorizing the Interim Director of the Department of Health Services (DHS) to execute Amendment No. 1, substantially similar to Exhibit I, with Servicon Systems, Inc. (Servicon) for the provision of housekeeping services at the LAC+USC

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Medical Center Replacement Facility (Replacement Facility) prior to opening, and delegating authority to the Interim Director to increase the maximum obligation by no more than 25 percent of the maximum obligation for unscheduled emergency work.

Implementation of Strategic Plan Goals

These actions support Goal 7, Health and Mental Health, of the County Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum obligation for Amendment No. 1 is \$225,518, which may be increased further by no more than 25 percent, or \$56,379, for unscheduled emergency work for a potential maximum obligation of \$281,897.

The revised maximum obligation for the Agreement is \$793,540, of which \$634,832 is for continued services and \$158,708 is for unscheduled emergency work. Any increase implemented under delegated authority will be funded within existing resources. Funding is included in the Fiscal Year 2008-09 LAC+USC Healthcare Network Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 9, 2007, your Board approved a sole source Agreement with Servicon to perform general and sterile housekeeping services prior to the opening of the Replacement Facility that was anticipated for the Spring of 2008. The Agreement contained the description of the four cleaning phases of the Replacement Facility's three tower buildings (Inpatient, Diagnostic and Treatment, and Outpatient) but could not include a definitive timetable as to when each cleaning step would be performed due to dependence on other factors such as when the building contractor concludes the construction work and approval by regulatory agencies is secured.

Servicon began performing services in late November 2007. However, unanticipated building and construction issues, remodeling of the physical plant, and the installation of large pieces of patient equipment at each of the three buildings occurred requiring much of the floor care cleaning to be redone. The Replacement Facility was granted conditional occupancy by regulatory agencies, which permitted staying on track for the move-in, but the building contractor had to finalize areas. For example, one significant issue was the discovery that the buildings were not air balanced. To complete the air balancing, the acoustical ceiling tiles had to be removed, and the residue from the tiles fell on the floor. To maintain the floor tiles and prevent damage to the floors, Servicon had to redo the stripping and waxing.

On August 12, 2008, your Board approved the LAC+USC Medical Center Post Occupancy Remodeling Project. These remodeling projects, including Operating Room Control Area, Dialysis Equipment Cleaning and Storage, Pharmacy Medication Dispensing and Medical Equipment Storage as well as other upcoming projects which may include Siemens Fluoroscopy and Philips Medical Systems Radiology Equipment, will significantly impact the amount of housekeeping services. Many areas that have already undergone cleaning have been soiled due to ongoing construction and/or traffic.

To stay on schedule for move-in, DHS had to initially clean the buildings following construction, and begin moving into the Replacement Facility's new buildings. More than 25,000 pieces of existing and new patient care equipment are required in the Replacement Facility in preparation for opening, and large quantities of equipment are moving across clean and waxed floors. However, it was not always possible to systematically install the equipment for each floor as planned. As areas were cleaned, protective floor covering was used, but the construction contractor did not always follow the same practice. Consequently, the floors were restripped and rewaxed. Through July 15, 2008, Servicon performed housekeeping services in the approximate amount of \$325,000, and approximately \$32,000 under delegated authority. Immediately prior to opening, regulatory agencies require a thorough and final cleaning (the fourth phase) in readiness for the hospital to provide the full range of inpatient and outpatient care. Sufficient funds will need to be available to complete such cleaning.

Amendment No. 1 increases the Agreement's maximum obligation. There is no change to the Agreement's term. The contract terminates on March 31, 2009, or until the four cleaning phases have been completed to the satisfaction of the Interim Director, or his designee, whichever comes first. The County may terminate for convenience with ten days written notice.

LAC+USC's administration will continue to monitor the contractor's performance and assure compliance with the terms and conditions of the Agreement.

County Counsel has approved the attached Amendment (Exhibit I) as to form.

CONTRACTING PROCESS

Following Board notification of the sole source agreement, your Board approved the agreement with Servicon on October 9, 2007.

The proposed amendment was not listed on the County's Web Site as such postings are not necessary for contract amendments.

The Honorable Board of Supervisors
September 16, 2008
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will allow DHS to ensure that the Replacement Facility is properly cleaned before opening.

CONCLUSION

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John F. Schunhoff', is written over a horizontal line.

John F. Schunhoff, Ph.D.
Interim Director

JFS:rf
Servicon Systems BL
08-20-08

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

**SUPPLEMENTAL GENERAL AND STERILE HOUSEKEEPING SERVICES AT
LAC+USC MEDICAL CENTER REPLACEMENT FACILITY**

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this ____ day of _____
____, 2008,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

SERVICON SYSTEMS, INC.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled,
"SUPPLEMENTAL GENERAL AND STERILE HOUSEKEEPING SERVICES AT
LAC+USC MEDICAL CENTER REPLACEMENT FACILITY", dated October 9, 2007,
and further identified as County Agreement No. H-702970 (hereafter referred to as
"Agreement"); and

WHEREAS, it is the intent of the parties hereto to increase the maximum
obligation for additional services hereinafter; and

WHEREAS, Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective upon its approval by County's Board of Supervisors.

2. Schedule 2 shall be added to the Agreement, attached hereto and incorporated herein by reference. Wherever Schedule 1 is referenced, it shall now also reference Schedule 2.

3. Paragraph 5, MAXIMUM OBLIGATION OF COUNTY, shall be replaced in its entirety to read as follows:

"5. MAXIMUM OBLIGATION OF COUNTY: The maximum obligation of County for all services provided hereunder shall not exceed Six Hundred Thirty-Four Thousand Eight Hundred Thirty-Two Dollars (\$634,832) for the period October 9, 2007 through March 31, 2009 in accordance with Schedules 1 and 2. The maximum obligation may be increased by no more than twenty-five (25) percent of the maximum obligation or One Hundred Fifty-Eight Thousand Seven Hundred Eight Dollars (\$158,708) for unscheduled emergency work as described in UNSCHEDULED WORK FUND Paragraph 6 hereinbelow, for a potential maximum obligation of Seven Hundred Ninety-Three Five Hundred Forty Dollars (\$793,540) for the term of the Agreement."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Interim Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director of Health Services

SERVICON SYSTEMS, INC.
Contractor

Signature

By _____
Printed Name

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF HEALTH SERVICES
CONTRACTS AND GRANTS DIVISION

RF:r
Board letter housekeeping lac usc amendment no 1 amendment 08.20.08

SCHEDULE 2

**BUDGET SHEET
LAC+USC REPLACEMENT FACILITY HOUSEKEEPING SERVICES – AMENDMENT NO.1
UNSCHEDULED WORK FUND**

Amendment No. 1 Article 6. UNSCHEDULED WORK FUND: Unscheduled work fund of twenty-five (25%) percent, equaling \$56,379 for emergencies or emergency services.

FACILITY COMPONENT	AMOUNT	25%	TOTAL FOR AMENDMENT
Diagnostic and Treatment	\$52,557.83		
Inpatient Tower Floors 1-4	\$60,639.22		
Inpatient Tower Floors 5-8	\$60,258.85		
Outpatient Tower	\$52,062.33		
TOTAL	\$225,518.00*	\$56,379.00	\$281,897.00

* - rounded

RF:r
Board letter housekeeping lac usc amendment no 1 cost summary 08.20.08

SCHEDULE 2

**LAC+USC REPLACEMENT FACILITY
HOUSEKEEPING SERVICES - AMENDMENT NO. 1
HOURLY RATES**

BURDENS	%	SUPERVISOR	FLOORCARE	GENERAL CLEANER
		\$14.00	\$12.84	\$11.84
FICA & MDCR	7.65%	\$1.07	\$0.98	\$0.91
FUTA	1.00%	\$0.14	\$0.13	\$0.12
SUI	1.50%	\$0.21	\$0.19	\$0.18
CGL	2.00%	\$0.28	\$0.26	\$0.24
Worker's Comp	16.00%	\$2.24	\$2.05	\$1.89
Vacation	4.00%	\$0.04	\$0.51	\$0.47
Sick Leave	2.60%	\$0.03	\$0.33	\$0.31
Physical	1.50%	\$0.21	\$0.19	\$0.18
Background Check	0.75%	\$0.11	\$0.10	\$0.09
Uniforms	0.58%	\$0.08	\$0.07	\$0.07
Profit	6.00%	\$0.84	\$0.77	\$0.71
CONTRACT BILLING HOURLY RATE		\$19.24	\$18.44	\$17.00

RF: board letter housekeeping lac usc amendment no 1 cost 08.20.08

BUDGET SHEET

LAC+USC REPLACEMENT FACILITY HOUSEKEEPING SERVICES - AMENDMENT NO. 1

AT: LAC+USC Replacement Facility D&T

DIRECT COST (List each staff classification)

Additional Funds

Payroll:	FTE*	Hourly Rate (avg)	Monthly Salary
Supervision	1.00	\$ 14.00	\$ 2,436.00
		\$ -	\$ -
		\$ -	\$ -
Floorcare	9.00	\$ 12.84	\$ 20,107.44
General Cleaning	7.00	\$ 11.84	\$ 14,421.12

Total Salaries and Wages \$ 36,964.56

*FTE = Full Time Equivalent Positions

Employee Benefits	No. of Employees	Monthly Cost per FTE (avg)
Medical Insurance	17.00	\$ -
Holiday Reserve	16.00	\$ 11.92
Vacation & Sick Leave	16.00	\$ 83.42

Total Benefits \$ 1,574.40

Payroll Taxes (List all appropriate, e.g., FICA, SUI, Worker's Compensation, etc.)

FICA & MDCR	\$ 2,957.79
FUTA	\$ 386.64
SUI	\$ 579.96
CGL	\$ 773.28
Worker's Comp	\$ 6,186.23

Total Payroll Taxes \$ 10,883.90

Supplies & Services

Uniforms	\$ 160.00
Paper Supplies	\$ -
Trash Liners	\$ -
Hand Soaps	\$ -
Walk Off Mats	\$ -
Vehicle/Allowance	\$ -
Gas/Oil	\$ -
Small Tools/Equipment	\$ -
Equip Repair	\$ -
Capitol Equip Depreciation	\$ -
Monthly Supplies	\$ -
Trash Removal	\$ -
Pest Control	\$ -
Parking Lot Sweeping	\$ -
Window Cleaning	\$ -

Total Supplies & Services \$ 160.00

TOTAL DIRECT COSTS \$ 49,582.86

INDIRECT COST (List all appropriate)

General Accounting/Bookkeeping
 Management Overhead (Specify)
 Other (Specify): Mop Cleaning

\$ -
TOTAL INDIRECT COSTS

TOTAL DIRECT AND INDIRECT COST \$ 49,582.86

PROFIT (Please enter percentage:) 6.00% \$ 2,974.97

TOTAL COST \$ 52,557.83

RF: board letter housekeeping lac usc amendment no 1 cost 08.20.08

SCHEDULE 2

BUDGET SHEET

LAC+USC REPLACEMENT FACILITY HOUSEKEEPING SERVICES - AMENDMENT NO. 1

AT: LAC+USC Replacement Facility IPT 1-4

DIRECT COST (List each staff classification)

Additional Funds

Payroll:	FTE*	Hourly Rate (avg)	Monthly Salary
Supervision	1.00	\$ 14.00	\$ 2,436.00
		\$ -	\$ -
		\$ -	\$ -
Floorcare	10.00	\$ 12.84	\$ 22,341.60
General Cleaning	9.00	\$ 11.84	\$ 18,541.44

Total Salaries and Wages \$ 43,319.04

*FTE = Full Time Equivalent Positions

Employee Benefits	No. of Employees	Monthly Cost per FTE (avg)
Medical Insurance	20.00	\$ -
Holiday Reserve	19.00	\$ 10.98
Vacation & Sick Leave	19.00	\$ 76.86

Total Benefits \$ 1,869.60

Payroll Taxes (List all appropriate, e.g., FICA, SUI, Worker's Compensation, etc.)

FICA & MDCR	\$ 3,218.48
FUTA	\$ 420.72
SUI	\$ 631.08
CGL	\$ 841.43
Worker's Comp	\$ 6,731.47

Total Payroll Taxes \$ 11,843.18

Supplies & Services

Uniforms	\$ 175.00
Paper Supplies	\$ -
Trash Liners	\$ -
Hand Soaps	\$ -
Walk Off Mats	\$ -
Vehicle/Allowance	\$ -
Gas/Oil	\$ -
Small Tools/Equipment	\$ -
Equip Repair	\$ -
Capitol Equip Depreciation	\$ -
Monthly Supplies	\$ -
Trash Removal	\$ -
Pest Control	\$ -
Parking Lot Sweeping	\$ -
Window Cleaning	\$ -

Total Supplies & Services \$ 175.00

TOTAL DIRECT COSTS \$ 57,206.82

INDIRECT COST (List all appropriate)

General Accounting/Bookkeeping
 Management Overhead (Specify)
 Other (Specify): Mop Cleaning

\$ -
TOTAL INDIRECT COSTS

TOTAL DIRECT AND INDIRECT COST \$ 57,206.82

PROFIT (Please enter percentage:) 6.00% \$ 3,432.41

TOTAL COST \$ 60,639.22

SCHEDULE 2

BUDGET SHEET

LAC+USC REPLACEMENT FACILITY HOUSEKEEPING SERVICES - AMENDMENT NO. 1

AT: LAC+USC Replacement Facility IPT 5-8

DIRECT COST (List each staff classification)

Additional Funds

Payroll:	FTE*	Hourly Rate (avg)	Monthly Salary
Supervision	1.00	\$ 14.00	\$ 2,436.00
		\$ -	\$ -
		\$ -	\$ -
Floorcare	10.00	\$ 12.84	\$ 22,341.60
General Cleaning	9.00	\$ 11.84	\$ 18,541.44

Total Salaries and Wages \$ 43,319.04

*FTE = Full Time Equivalent Positions

Employee Benefits	No. of Employees	Monthly Cost per FTE (avg)
Medical Insurance	20.00	\$ -
Holiday Reserve	19.00	\$ 10.63
Vacation & Sick Leave	19.00	\$ 74.42

Total Benefits \$ 1,869.60

Payroll Taxes (List all appropriate, e.g., FICA, SUI, Worker's Compensation, etc.)

FICA & MDCR	\$ 3,122.32
FUTA	\$ 408.15
SUI	\$ 612.22
CGL	\$ 816.29
Worker's Comp	\$ 6,530.35

Total Payroll Taxes \$ 11,489.33

Supplies & Services

Uniforms	\$ 170.00
Paper Supplies	\$ -
Trash Liners	\$ -
Hand Soaps	\$ -
Walk Off Mats	\$ -
Vehicle/Allowance	\$ -
Gas/Oil	\$ -
Small Tools/Equipment	\$ -
Equip Repair	\$ -
Capitol Equip Depreciation	\$ -
Monthly Supplies	\$ -
Trash Removal	\$ -
Pest Control	\$ -
Parking Lot Sweeping	\$ -
Window Cleaning	\$ -

Total Supplies & Services \$ 170.00

TOTAL DIRECT COSTS \$ 56,847.97

INDIRECT COST (List all appropriate)

General Accounting/Bookkeeping
Management Overhead (Specify)
Other (Specify): Mop Cleaning

\$ -
TOTAL INDIRECT COSTS

TOTAL DIRECT AND INDIRECT COST \$ 56,847.97

PROFIT (Please enter percentage:) 6.00% \$ 3,410.88

TOTAL COST \$ 60,258.85

RF: board letter housekeeping lac usc amendment no 1 cost 08.20.08

SCHEDULE 2

BUDGET SHEET

LAC+USC REPLACEMENT FACILITY HOUSEKEEPING - AMENDMENT NO. 1

AT: LAC+USC Replacement Facility OPT

DIRECT COST (List each staff classification)

Additional Funds

Payroll:	FTE*	Hourly Rate (avg)	Monthly Salary
Supervision	1.00	\$ 14.00	\$ 2,436.00
		\$ -	\$ -
		\$ -	\$ -
Floorcare	10.00	\$ 12.84	\$ 22,341.60
General Cleaning	6.00	\$ 11.84	\$ 12,360.96

Total Salaries and Wages \$ 37,138.56

*FTE = Full Time Equivalent Positions

Employee Benefits	No. of Employees	Monthly Cost per FTE (avg)
Medical Insurance	17.00	\$ -
Holiday Reserve	16.00	\$ 16.72
Vacation & Sick Leave	16.00	\$ 78.05

Total Benefits \$ 1,574.40

Payroll Taxes (List all appropriate, e.g., FICA, SUI, Worker's Compensation, etc.)

FICA & MDCR	\$ 2,786.19
FUTA	\$ 364.21
SUI	\$ 546.31
CGL	\$ 728.42
Worker's Comp	\$ 5,827.33

Total Payroll Taxes \$ 10,252.45

Supplies & Services

Uniforms	\$ 150.00
Paper Supplies	\$ -
Trash Liners	\$ -
Hand Soaps	\$ -
Walk Off Mats	\$ -
Vehicle/Allowance	\$ -
Gas/Oil	\$ -
Small Tools/Equipment	\$ -
Equip Repair	\$ -
Capitol Equip Depreciation	\$ -
Monthly Supplies	\$ -
Trash Removal	\$ -
Pest Control	\$ -
Parking Lot Sweeping	\$ -
Window Cleaning	\$ -

Total Supplies & Services \$ 150.00

TOTAL DIRECT COSTS \$ 49,115.41

INDIRECT COST (List all appropriate)

General Accounting/Bookkeeping
Management Overhead (Specify)
Other (Specify): Mop Cleaning

**\$ -
TOTAL INDIRECT COSTS**

TOTAL DIRECT AND INDIRECT COST \$ 49,115.41

PROFIT (Please enter percentage:) 6.00% **\$ 2,946.92**

TOTAL COST \$ 52,062.33

RF: board letter housekeeping lac usc amendment no 1 cost 08.20.08